

Board of Selectmen

Policy Number: MV.001

Policy: Policies and Regulations for Second Hand Motor Vehicle Licenses

Date Approved: August 20, 2002

Date Revised: October 14, 2003

Chairman, Board of Selectmen

Policy: It is the policy of the Board of Selectmen, as the Town's licensing authority, to issue Class 1 and Class 2 Licenses for to those establishments which comply with all State laws regarding the sale of second hand motor vehicles (M.G.L. Chapter 140) and which meet the Regulations established by the Board as listed below. Any business intending to sell second hand motor vehicles in the Town of Needham must obtain a Class 1 or Class 2 License from the Board of Selectmen prior to the opening of the business.

Regulations:

1.0 Definitions Massachusetts General Laws, c. 140, Sections 57 and 58 sets forth the classes of licenses which may be granted by Board of Selectmen.

1.1 Classes 1 Licenses Class 1 Licenses may be granted to a recognized agent of a motor vehicle manufacturer or a seller of motor vehicles made by such manufacturer whose authority to sell same is created by written contract, and whose principal business is the sale of new motor vehicles. The purchase or sale of second hand motor vehicles must be incidental or secondary to the principal business in order for the business to qualify for a Class 1 license. Holders of a Class 1 license are subject to all provisions of M.G.L. c. 140 with respect to the sale or exchange of motor vehicles not taken in trade for new motor vehicles.

1.2 Class 2 Licenses Class 2 Licenses may be granted to any person whose business is the buying or selling of second hand motor vehicles, provided that such person maintains or demonstrates access to repair facilities sufficient to enable him to satisfy the warranty repair obligations imposed by section 7N ¼ of chapter 90.

2.0 Application Process

- 2.1 Prior to applying for the Class 1 or Class 2 License, the proposed business owner must show proof that the business is a continuation of the same use or receive a Certificate of Occupancy from the Building Inspector confirming that the business location is properly zoned for the proposed use. When sufficient occupancy requirements are met, an application may be filed with the Licensing Board.
- 2.2 The application package must include the following items:
- Three copies of the application form. The application must specify all premises to be occupied by the licensee for the purpose of carrying out the licensed business.
 - A copy of the Certificate of Occupancy or satisfactory proof of continuation of use of premises.
 - A copy of a written contract from a motor vehicle manufacturer authorizing the sale of motor vehicles (Class 1 only).
 - A copy of the business' Articles of Incorporation approved by the Secretary of State and a vote of the Board of Directors authorizing the license application.

3.0 Approval Process

- 3.1 A Public Hearing must be held by the Board of Selectmen prior to the issuance of the license.
- 3.2 The Board will investigate the facts stated in the application and any other information it may require, and must be satisfied that the applicant is a proper person, that he has available space suitable for the business, and that the business for which he has applied is his principal business. The Board will request that the Police Department investigate such facts prior to issuing a Class 1 or 2 License.

4.0 Fee

- 4.1 The license fee, or any renewal thereof, shall be \$200.00 per calendar year.

5.0 Revocation of License

- 5.1 Class 1 and Class 2 Licenses granted under this process will be revoked, or not renewed, by the Board of Selectmen if, after a public hearing, it determines that the licensee is not complying with the provisions of M.G.L. c. 140 and any related regulations issued hereunder or by the Registrar of Motor Vehicles.